
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.6.2010

Wall Street Journal: "Banks Redefine Jobs of 'Prop' Traders ... Some Wall Street firms aren't waiting until the Volcker rule kicks in to shake up the trading desks that wager the banks' own money."

Wall Street Journal: "A Trillion Unintended Consequences ... The Dodd-Frank bill remaking American finance hasn't yet become law, but corporate treasurers are already bracing for its impact. In the days surrounding this fall's election-after the close of the September 30 quarter-expect a series of warnings on liquidity from companies that had nothing to do with the credit panic and are not even in the finance business."

Washington Post: "Financial reform's unfinished agenda... A KEY CAUSE of the financial crisis was that financial institutions took on far too much leverage -- they risked vast multiples of capital, rendering them vulnerable to the slightest downturn in asset prices. It follows that regulators should set higher capital requirements. "The top three things to get done," Treasury Secretary Timothy F. Geithner told the New York Times in March, "are capital, capital and capital." The Dodd-Frank financial reform bill authorizes and encourages higher capital requirements but leaves the details up to regulators."

Wall Street Journal: "Consumer Agency's Path Will Be Set by First Chief ... More than 400 pages of legislation detail the duties and powers of the Consumer Financial Protection Bureau that Congress is set to create. But the first director of the powerful new agency will play a critical role in determining how it works.."

Washington Post: "Financial 'reform' or revenge?... It is a myth to think that the new financial "reform" legislation, assuming it passes the Senate, will insulate us for all time against financial panic and crisis. Great crises of the sort that occurred in 2008 and 2009 are usually separated by many decades, and so it will be hard to determine how much real protection the law provides. But the underlying ingredients of financial panics are always the same -- uncertainty, ignorance and fear -- and no law can permanently abolish these."

Wall Street Journal: "GM Seeks Billions in Credit for Life After Uncle Sam... General Motors Co. is in talks with major banks to set up a \$5 billion line of credit as it works to convince potential investors it can function without government support, people familiar with the situation said."

Wall Street Journal: "Citi Says Home Loans 'a Top Priority'... To get a sense of how vigorously Citigroup Inc. is trying to revive its retail bank, consider this statistic: In the past two months, mortgage applications at its branches have soared by 60%."

Wall Street Journal: "Hard Knocks From Easy Money... A Federal Reserve fully attuned to the easy money demands of the Democrats and megabanks clearly has no plan to lift interest rates from their near-zero level. The rationale is: "Why should we? The Consumer Price Index (CPI) is rising at a modest 2% annual rate. Banks are getting healthier. Why risk stalling an economic recovery and sending a nervous stock market into a spin if things are going well?"

New York Times: "Changes in Mobile-Home Lending... Mobile homes may not be a staple of the New York City housing market, but nationally last year they made up nearly a quarter of all new homes sold for less than \$200,000, according to an industry trade group, making them an important component of the affordable-housing sector."

Star Tribune: "Ask Minnesota bankers, financial advisers, stockbrokers, consumer advocates or scholars what they think of the 2,319-page bill known as the Wall Street Reform and Consumer Protection Act, and you'll get a couple of common responses."